

Fellow members of the Legislature, other elected officials, employees, citizens and press, I stand before you at an historic time. For the first time in over a generation a Democratic Majority is in these Chambers. I am proud and humbled by being part of that history. To paraphrase Thomas Jefferson, "We are all Democrats we are all Republicans we are all of Ulster County."

The change in the Legislature is only a small part of our history. Before year's end the Charter Commission will have completed their work. Those results will be open for debate. A referendum will be placed on the ballot this November to ask the voters of Ulster County to change to a County Executive form of government.

When I first arrived in these Chambers 12 years ago, having been part of charter revision in the City of Kingston, I quickly realized the need for charter change here. When I began to serve as the Minority Leader that need was strongly reinforced. I stand before you as the elected Chairman of this Legislature more convinced than ever that this charter revision is essential. With that, I may be the last Executive Chairman of this Legislature. I embrace this and encourage others to do the same.

As we embark into the New Year we have much to be grateful for. We live in a County that is rich in history, culture, diversity and beauty. We have close knit communities that are unique in character yet share a common bond through our rich heritage.

On the other hand, we are facing unprecedented financial difficulties. As an organization we must bond together to create a more assessable, accountable and affordable government. The people of Ulster County can not afford the status quo. Through common sense and creativity we can bring better government at a better price.

## **Tourism**

Tourism has been a growing industry that accounts for a significant amount of sales tax revenue. Common sense dictates that we need to bring more creativity in our sale of Ulster County to the outside world and promote more within our border.

Our rich history and the fact that Ulster County has the highest per capita of artists in the nation must be taken advantage of. This year the reorganizations of the committees will, for the first time, recognize the Arts as an important component of our tourism and economy.

The Film Industry has been taking more interest in our area. We must inventory our rich landscape and diversity to be able to present it to production companies at a moment's notice. This may be accomplished through a closer relationship with the Woodstock Film Commission or the creation of our own commission.

Promoting the concept of "vacationing at home" will help capture sales tax revenue while many will learn to enjoy the rich culture we so often seem to seek by going elsewhere. The use of the free cable access stations and promoting within our daily markets will get all to better understand what is available in our backyard.

Legislator Zimet, Chairman of the Arts, Education, and Community Relations Committee, will be overseeing the creation of a Tourism Advisory Board with the help of Stan Ackerman of Rocking Horse Ranch. This will bring those that depend on Tourism to the table, to help effectively sell our County to the outside world and to our citizens without added cost.

## **Economic Development**

Our economic development efforts have mostly brought employment opportunities that lack the ability to sustain a household. Industrial Development Agency loans have often been used without regard to the overall cost of the tax avoidance. Sure, there are plenty of jobs; many people have three of them to survive. IDA loans to companies that supply low wage jobs have not helped this County. We appear at close to full employment and consequently less attractive to major firms. This, with the NIMBY effect, brings us down a road of low returns.

Legislator Rodriguez, Chairman of the Economic Development Committee, will be overseeing changes in the IDA to bring in a more diverse representation. We will seek to add the interest of labor, the environment, and the County Legislature to the mix. Although the IDA members will still be mostly from the business community, bringing in more diversity will help prepare for problems and questions that may arrive as projects are brought forth. The same must be true of all our efforts toward development. We will work toward long term common goals to bring progress while protecting our communities.

## **Housing**

The median cost of a home in Ulster County is far above the ability of one at the median income. Various levels of housing are needed. We have had some improvement in bringing this issue to the forefront through the efforts of Chester Straub, President of the Ulster County Development Corporation, Dennis Doyle of Ulster County Planning and the Ulster County Housing Consortium.

Our Planning Department will be required to work toward better cooperation with the municipalities. This may include diverting Shovel Ready Funds where possible and more assistance in project development. To be less taxing on our infrastructure we need to work more toward building out our population centers while preserving our open space.

## **Health Care**

In the 1870s, Otto Von Bismarck of Germany created the first nation with Universal Health Care. Today, one hundred and thirty years later our nation remains the only industrialized nation in the world without universal health care. As a result we, as other local governments, struggle with the sky rocketing cost of Employees Health Insurance and Medicaid. We are forced to deal with this on the local level because the State and Federal government has mostly turned a blind eye. While the State has finally offered a helping hand toward Medicaid relief they returned with a backhand with lower reimbursement rates for care for those in County run nursing homes. This creates added cost at Golden Hill that the County can not afford.

Through close work with our employees we will explore mutual agreements to create better health care coverage while reducing cost. In regard to rising Medicaid cost, there has been little movement in Ulster County toward using managed care for those on Medicaid despite models that have been successful elsewhere. Taking models from other counties along with our own ingenuity could save the County significantly. I expect Legislator Kraft, as Chairman of the Human Services Committee, to aggressively tackle this issue over the next year. In regard to our reimbursement rates at Golden Hill we will be lobbying our State representatives to right this wrong.

## **The Law Enforcement Center**

It would be remiss if I didn't mention the Law Enforcement Center. Success has many relatives, failure is an orphan. I will not point fingers today. That time will come. We are presently weighing our power of subpoena. That may help get to the bottom of this fiasco. For now, our first concern must be to get the job done.

In the past, the County has taken no leadership on this project. The Architect, Prime Contractor and the Manager have argued over change orders and the like while the County stood by. Time and money continued to mount. I plan to take a very active role in resolving the disputes that have held up this project. Common sense must prevail.

## **Finances**

The budget process this County has followed for the past decade has been flawed at best. The past two years have been shameful. The over estimation of revenues, the disastrous results of the Jail, and the lack of addressing the real retirement costs, has put the County finances on a collision course with disaster. The lack of planning and the neglectful attempt to create a long term taxing policy during the past two Novembers has added to the burden.

Looking at reliable estimates in regard to revenues and cost for 2006, Ulster County will potentially face a 25% property tax increase for the 2007 Budget if significant changes do not take place. Business as usual must end today.

Each and every committee Chairman, with their members, will keep constant check on all spending and revenues. All programs will be open for review. Programs that are to continue should be sustained at the present cost or less, preferably the latter unless added cost bring more revenue than the cost. We will start the process of true budget reform. There will be no hiring of personnel by department heads without prior approval from a leadership team that will review all requests.

In June of this year we will be required to bond for the costs of the Law Enforcement Center at the same time we have a fund balance that is far below what is recommended. This will bring close scrutiny by the bonding agency. With the low fund balance and the budget gimmicks used over the past two years there is a strong likelihood that we face a significant down grade in our bond rating. That would cost the people of Ulster County millions of dollars. It will be money that goes toward no service, paves no roads, or heats no building. It will be money spent toward added interest

payment that will make only those that hold the bonds happy. To prevent such a down grade we need to put in place a sound financial plan to address the next couple of years.

The Chairman of the Ways & Means Committee, Alan Lomita, will start the process of creating a more solid financial plan immediately. The plan may call for consolidation of departments, cuts in programs, and revenue enhancements that are affordable and reasonable. The goal will be to have this plan in place before the end of June to prevent the down grade and to put us on sure footing for the future. It is going to be far from easy and I envision many debates that go into the morning.

### **Better Government at a Better Price**

Department directors from the Administrator's Office to the Treasurer's Office have all agreed that there is a need for a Contract Manager. There is no way to accurately tract the cost of not having one. Last year we witnessed one incident where a software contract brought direct and ancillary cost of over \$750,000 for software that the County couldn't get to work with the present system. When viewing the contract and considering suit, the attorneys agreed that the \$200,000 that the company offered to reimburse the County was just short of a gift. Advice: "Take the money and run." Loss: \$550,000.

Should I discuss how much the contracts with the Law Enforcement Center will eventual cost us? How about contracts for copy machines that are many pages long and different by department?

Although all agree there is significant cost of not having a contract manager, the question remained, "Where do we get the money?" We answer that as our first installment of better government at a better price.

## **"Better Government for a Better Price"**

### **Recommendation:**

**Step 1:** Eliminate the County Auditor position, the Deputy County Auditor position and a currently unfilled Junior Accountant position from the County Auditor Dept. **(\$151,842 savings)**

**Step 2:** Add a County Contract Management Division to the County Attorney's Office. One Attorney and one Paralegal.\* **(\$100,000 cost)** The paralegal may replace an existing employee to further reduce cost.

**Step 3:** The remaining staff, the four employees of the accounts payable component, would be combined with the Treasurer's Dept.

**Step 4:** To meet requirements from the comptroller's office, the Auditor's functions will be completed by the existing Management Analyst located in the Administration Office.

### **Results:**

- **Greatly improved accountability (Contract Manager)**
  - Involved in all contract negotiations
  - Standardizing of County contracts
  - Hold vendors accountable to contract terms
  - Review current contracts for cost savings
- **Reduced cost of Government**
  - First year SAVINGS in payroll over \$50,000
  - Substantial cost savings available through Contract Management
- **Immediate Streamlining of Government**
  - Eliminate one Dept. (County Auditor's Dept)
  - Begin to centralize accounting functions
  - Increase efficiency

## **Details**

### **Eliminated Positions**

<b><u>Position Number</u></b>	<b><u>Title</u></b>	<b><u>Salary</u></b>
OA132001001	AUDITOR	\$64,228
OA132001002	DEPUTY AUDITOR	\$48,448
OA132001303	JUNIOR ACCOUNTANT (Currently unfilled)	_____ \$151,842

### **Positions moved to Treasurer's Dept.**

<b><u>Position Number</u></b>	<b><u>Title</u></b>	<b><u>Salary</u></b>
OA132001308	JUNIOR ACCOUNTANT	\$41,278
OA132001310	ADMIN. AST./TYP.	\$40,531
OA132001315	AST. FISCAL MGR.	\$40,295
OA132001404	HEAD AUDIT CLERK	\$41,933

1. \*Contract Manager & Assistant must be created through legislative action
2. Additional savings may be realized with the reduction in benefits costs.